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CENTRAL INTELLIGENCE GROUP

INTELLIGENCE REPORT

144870(2)

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COUNTRY Germany (Russian Zone)

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SUBJECT Acquisition of Additional Property by
Soviet AGs in Saxony-AnhaltDIST. 12
January 1948

PAGES 2

SUPPLEMENT

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EVALUATE

1. A piece of real estate located at Zeppelinstrasse 2 in Zeitz, formerly the property of a lodge, had been taken by NSDAP. It was later used as a hospital by the occupying powers and at the end of April 1947 was put at the disposal of the Kombinat Profen-Köpsen, part of a Soviet AG. The state of Saxony-Anhalt was prepared to lease the property to the Kombinat on a long-term basis, but Tutyanik, general director of the combine, was unwilling to accept such terms. At a discussion of the matter in July 1947, Tutyanik demanded the sale of the property to the Kombinat.
2. The sequestration division of the Ministry of Economy hesitated to comply because the sale, as involving state property, had first to be approved by the cabinet and by the Landtag, according to Article 74 of the constitution of Saxony-Anhalt. Moreover, permission to evaluate and dispose of confiscated property was still under discussion at Karlshorst, and the state could not act until a decision had been made there.
3. On 28 October 1947, Major Piek of SMA Halle informed officials of the Ministry of Economy and Trade that it was the express wish of Major General Shlyakhtenko that the sale should be concluded, and 1 November 1947 was given as the final date. Piek was not moved by the argument that SMA Karlshorst had not yet authorized sales of former NSDAP property (forfeited to the state under SMA Order No. 124/126). The matter was brought up in the cabinet session of 30 October 1947 and was approved; the Ministry of Economy and Trade was empowered to prepare the necessary papers for the release of the property to the Kombinat Profen-Köpsen. No further mention was made of obtaining Landtag permission.
4. A slightly different manner of acquiring property was exemplified in the case of the Willy Kuhl box factory in Magdeburg. The owner of the plant was arrested on 20 March 1947 on SMA orders and was tried by a military tribunal at Gera in Thuringia. On 27 May 1947, he was sentenced to lose all his property, although

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CLASSIFICATION

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no reason for either arrest or penalty was given. The confiscated property was transferred to the Soviet AG for Machine Tools, formerly G. Gruson & Co. of Magdeburg, on 28 June 1947. The whole procedure was classified "Secret" and no access to trial records was permitted. The factory, which produced for Russian APO deliveries, was still operating in its original capacity on 25 August 1947 but it was expected to be absorbed by the Soviet AG soon after.

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